

MEMORANDUM FOR: DCI

10 January

For today's White House "Plenary" on the Zhao visit, attached is the signed version of NSDD-120.

Most of the changes from the earlier draft are cosmetic, but there has been some rewriting in the "economic" and "strategic/military" sections. Significant changes are highlighted.

Dick

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NSDD 120
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Remarks

[Signature]
Executive Secretary
1/10/84
Date

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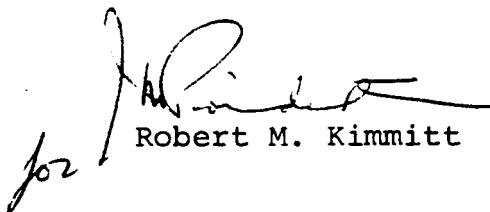
January 9, 1984

MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF ENERGY
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR OF CENTRAL INTELLIGENCE
THE UNITED STATES REPRESENTATIVE TO THE
UNITED NATIONS
THE UNITED STATES TRADE REPRESENTATIVE
THE CHAIRMAN, JOINT CHIEFS OF STAFF
THE DIRECTOR, ARMS CONTROL AND DISARMAMENT
AGENCY
THE DIRECTOR, UNITED STATES INFORMATION AGENCY

SUBJECT: NSDD on the Visit to the United States
of Premier Zhao Ziyang of the People's
Republic of China (S)

The President has approved the attached National Security Decision
Directive on the Visit to the United States of Premier Zhao Ziyang
of the People's Republic of China. (S)


Robert M. Kimmitt

Attachment
NSDD 120

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THE WHITE HOUSE

WASHINGTON

NATIONAL SECURITY
DECISION DIRECTIVE 120

January 9, 1984

VISIT TO THE UNITED STATES OF
PREMIER ZHAO ZIYANG (S)

During the past year, we have witnessed an improvement in U.S.-China relations, due in part to an exchange of high level visits. Also important was a change in the Chinese view of the relationship, based, to some extent, on our decision to liberalize controls on the transfer of technology to China. This decision gives substance to our policy of treating China as a friendly, non-allied country. At the same time, we recognize that fundamental differences with the Chinese will persist on certain issues. The visit to the United States by Premier Zhao Ziyang and my return visit to China next April are in themselves strong indications that the relationship is progressing well, despite some problems, and that the Chinese appreciate the value of the relationship and will continue to cooperate with us to advance the relationship in areas of mutual interest. We want the Zhao visit to maintain the momentum of recent months as we move toward preparations for my visit to China in the spring. (S)

Because of the importance of this relationship and the sensitive aspects of managing our relations with both the People's Republic of China and Taiwan, it is essential that our strategies and policies be coherent and that our actions be consistent and mutually reinforcing. The public perception of these discussions at home and abroad will have an important bearing on the course of our relationship, and therefore, in addition to ensuring that our private statements to the Chinese are consistent, we must ensure that our public statements and briefings to the media about the visit are consistent, coordinated, and supportive of our goals. (S)

Objectives

In our relationship with China we seek:

- To promote a China that remains independent of the Soviet orbit. (S)
- To encourage China's efforts to modify and liberalize its totalitarian system, introduce incentives and market forces in its economy, and continue expanding its ties with the major industrialized democracies. (S)

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- To help China modernize, on the grounds that a strong, stable China can be an increasing force for peace, both in Asia and in the world, if the two objectives above are realized. (S)

To achieve these overall objectives we should emphasize the following themes during this very important visit:

Political Relationship

First, on the political issues we should aim:

- To reaffirm our commitment to regard China as a friendly, non-allied nation and to consolidate and advance our bilateral relationship on that basis. (C)

- To set the stage for my trip to China in April. Zhao's visit here and my trip should be conceived as a pair. Zhao's visit should facilitate establishment of personal rapport and allow us to introduce the themes and issues that we hope might culminate in concrete agreements during my visit. (C)

- To enhance Chinese understanding of the United States by exposing Zhao to a wide range of American opinion and experiences. (C)

- To reaffirm our intention to live up to the various joint communiques we have signed with the Chinese, including the one of August 1982 on arms sales. At the same time we should reconfirm our moral and legal commitment to maintain unofficial relations with the people of Taiwan, including the continued sale of defensive arms. We believe the "resolution" of the Taiwan issue is a matter for the Chinese people to settle themselves, and our only concern is that it be done peacefully. A continued peaceful approach by Beijing to Taiwan is fundamental to our position on Taiwan arms sales and to the whole framework of our relations. (S)

- To send a quiet signal to our friends in Asia, as well as to the Soviets and others, that U.S.-China ties can prosper on a foundation of realism, mutual interest, and mutual respect, despite differences arising from the nature of our societies and political systems. (S)

- To seek ways of enhancing U.S.-Chinese consultations and coordination where our interests are similar or parallel (e.g., Korea, Afghanistan, Kampuchea). (S)

- To stress to Zhao our interest in enlisting China's good offices to permit us access to Vietnamese in China, including a former Vietnamese government minister, who may have knowledge of our POW/MIAs. (S)

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~~SECRET~~Economic Relationship

Second, in the economic area we should seek:

- To articulate our readiness to lend support to China's ambitious modernization effort, especially through our liberalized technology transfer policy. (C)

- To attempt to conclude in principle an agreement of cooperation on the peaceful uses of nuclear energy during Zhao's visit. A key to this goal is to obtain from the Premier, while he is in Washington, a clear statement that China will not assist others in any way to acquire or develop any nuclear explosive device. This, in addition to Chinese concessions on two other points--consent rights and visitation rights--would enable us to make a public announcement. (S)

- To express our disappointment over the Chinese failure to abide by the terms of our bilateral grain agreement in 1983 and our expectation that they will henceforth abide by the terms of the agreement. (C)

- To encourage the Chinese to look beyond immediate problems in some areas to the longer-term potential of their economic relationship with the U.S. (C)

- To attempt to create an atmosphere in which we can conclude as early as possible the various bilateral agreements and treaties still pending, especially a tax treaty, a bilateral investment treaty (BIT), and a renewal of the Maritime Agreement. (C)

- To build on the substantial trade benefits that both countries have derived over the past few years. (C)

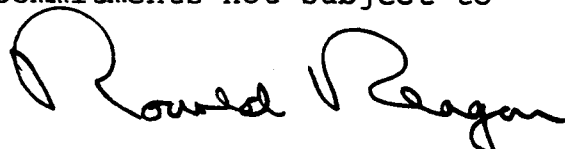
Strategic/Military Relationship

Third, in the area of strategic and military relations, we should strive:

- To emphasize our interest in furthering strategic cooperation with the Chinese against the common Soviet threat. (S)

- To restate our determination to work together with them to upgrade their defensive military capabilities. Transfer of appropriate levels of technology, civilian and military, consistent with other strategic interests and international obligations, is necessary and desirable in pursuit of this objective. (S)

Our overall strategy should be to develop our relationship by highlighting the areas of agreement and potential cooperation with Zhao, while maintaining a firm but quiet stance on issues involving our own principles and commitments not subject to compromise. (S)


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